

OFFICE OF THE SECRETARY OF STATE STATE OF GEORGIA

IN THE MATTER OF

FARMHOUSE VEGGIES NP, INC and ROBERT JACKSON,

Respondents.

Case Number: ENCH-220443

EMERGENCY ORDER TO CEASE AND DESIST

Pursuant to the authority of the Georgia Charitable Solicitations Act of 1988, as amended O.C.G.A § 43-17-1 et seq. ("Act") and 590-9-1 et seq. of the Rules and Regulations of the State of Georgia ("Rules"), the Secretary of State of the State of Georgia ("Secretary"), has caused on investigation to be made into the acts and practices of Farmhouse Veggies NP, Inc and Robert Jackson. ("Farmhouse" "Jackson" or "Respondents" collectively). As a result of the investigation, the Secretary makes the following findings of facts and conclusions of law:

I. FINDINGS OF FACT

- 1. Farmhouse is registered with the Corporations Division of the Secretary of State as a foreign nonprofit corporation, with its principal office located at 1607 Williams Mill Way, Dacula, Georgia 30019.
- 2. Farmhouse holds itself out as a nonprofit organization that is registered as a 501(c)(3) tax exempt organization with the IRS as a public charity. Farmhouse is not registered with the Secretary as a charitable organization pursuant to O.C.G.A. § 43-17-5. In a

correspondence dated May 2, 2022, Farmhouse claimed an exemption from registration under O.C.G.A. § 43-17-9(5).

- 3. Robert Jackson is Chief Executive Officer, Secretary, Chief Financial Officer of Farmhouse, and Registered Agent for Farmhouse. Jackson provided two addresses on his corporate filings: 1607 Williams Mill Way, Dacula, Georgia 30019 and 2190 Highway 64, Eads, Tennessee 38028.
- 4. In April 2022, the Division received complaints from potential Georgia donors regarding the solicitation practices of Farmhouse. Complainants reported that individuals on behalf of Farmhouse solicited donations door to door around the Atlanta metro area. Individuals represented to potential donors that Farmhouse partnered with specific non-profits, food banks, and churches located throughout the State of Georgia.
- 5. During the course of the investigation, the Division determined that Farmhouse represented to potential donors that they were partnered with foodbanks throughout the State. However, such foodbanks and the affiliated non-profits and church groups confirmed with the Division that no partnerships existed. Thus, contrary to the representations made by Farmhouse and its volunteers, no partnerships existed.
- 6. At least one non-profit contacted the Division regarding Respondents. That non-profit stated that Respondents represented to potential donors that they are partnered with the non-profit. The non-profit states they are not and have never been partnered with Respondents in any capacity.
- 7. On or around April 7, 2022, the Division issued a Request for Information ("RFI") to Respondents inquiring as to the unregistered solicitations by the charitable organization.
 - 8. On or around May 2, 2022, Respondents, through counsel, responded to the RFI

("May 2nd Response") and claimed an exemption from registration on the basis that their revenue did not reach the threshold required by Georgia law. During the course of the investigation, the Division determined that between February 1, 2022 and May 1, 2022, Respondents solicited \$56,628 in donor funds. On May 2, 2022, the day Respondents responded to the Division, they raised \$3,820.00 in one day from twenty-six (26) individual donations.

- 9. In the May 2nd Response, Respondents admitted that donations were collected by Jackson and a group of volunteers. Additionally, Respondents admitted that donor funds were spent on volunteer housing.
- 10. Respondents assured the Division in writing that as of May, 2022, Respondents would not be conducting solicitations or charitable activities within the State of Georgia.
- 11. On or around May 10, 2022, the Division issued a response to the May 2nd Response ("RFI Follow-up"). In the RFI Follow-Up, the Division requested specific information concerning the alleged non-profit partnerships represented by Respondents, a statement as to who is receiving donor funds, and the amount spent on volunteer lodging.
- 12. On or around May 20, 2022, Respondents provided an incomplete response to the Division ("May 20th Response"). In the May 20th Response, Respondents admitted that they have not formed a legal partnership with any entity, person, non-profit, foodbank, or church. Respondents failed to provide information on who receives donor funds and failed to specify the amount of donor funds spent on volunteer lodging.
- 13. In the May 20th Response, Respondents restated, "...the Non-Profit has stopped operations in Georgia." Despite these statements to the Division, Respondents raised \$13,331.00 in donations between May 3, 2022 and May 20, 2022.
 - 14. On or around July 30, 2022, the Division was informed that Respondents continue

to solicit donations within the State of Georgia. Respondents send individuals door to door to solicit donations on behalf of Farmhouse. Volunteers told potential donors that they are unable to "leave" the organization until they raise a pre-determined amount in donations. Potential donors described these individuals as "frantic" to obtain donations.

- 15. As of July 30, 2022, Respondents maintained an active website. The website contained misrepresentations as to partnerships, use of donor funds, and charitable activities.
- 16. The Division issued subpoenas to Respondents' banking institutions. Records collected by the Division show that Respondents solicited \$121,748.10 between February 1, 2022 and September 30, 2022.
- 17. Respondents are not and have never been registered as a charity permitted to solicit donations within the State of Georgia.
- 18. On February 21, 2023, the Chancery Court for Davidson County at Nashville in the State of Tennessee entered a Consent Temporary Injunction Between the State and Defendant Robert Jackson restraining Robert Jackson from directly or indirectly acting as a charitable organization by soliciting contributions in [Tennessee] and disposing of any assets or contributions or altering the financial state of any person or organization. Further, the Order restrains Respondents from acting as professional solicitors on behalf of any charitable organization in [Tennessee].

II. CONCLUSIONS OF LAW

- 19. Paragraphs 1 through 18 are incorporated by reference as though fully set forth above herein.
- 20. The Secretary has jurisdiction over this matter pursuant to the Act. *See* O.C.G.A. §§ 43-17-10 and 43-17-11.
 - 21. Pursuant to O.C.G.A. §§ 43-17-11 and 43-17-13, the Secretary is authorized to

institute this investigation and issue this Order.

- 22. Pursuant to O.C.G.A. § 43-17-13(a)(1)(A)(i), "whenever it may appear to the Secretary of State, either upon complaint or otherwise, that any person engaged in or is engaging in or is about to engage in any act, practice, or transaction which is prohibited by this chapter or by any rule, regulation, or order of the Secretary of State promulgated or issued pursuant to any Code section of this chapter or which is declared to be unlawful under this chapter, the Secretary of State may, at his discretion . . . issue a cease and desist order against any person."
- 23. Pursuant to O.C.G.A. § 43-17-13(a)(1)(A)(v), the Secretary may, "[r]egarding any willful act, practice, or transaction, issue an order imposing a civil penalty up to a maximum of \$250.00 against any person for a single violation or \$500.00 for multiple violations in a single proceeding or series of related proceedings."
- 24. O.C.G.A. § 43-17-2(2) defines a charitable organization as "any benevolent, philanthropic, patriotic, or eleemosynary (or relating to, or supported by charity or alms) person, as that term is defined in this code section, who solicits or obtains contributions solicited from the general public, any part of which contributions is used for charitable purposes."
- 25. O.C.G.A. § 43-17-2(15) defines solicitation as the "request or acceptance directly or indirectly of money, credit, property, financial assistance, or any other thing of value to be used for any such charitable purpose."
- 26. Pursuant to O.C.G.A. § 43-17-5, it is unlawful for charitable organizations and individuals to solicit contributions from the public for charitable purposes unless said charitable organizations are registered with the Secretary or are otherwise exempt from registration.
- 27. Pursuant to O.C.G.A. § 43-17-12(b), "[i]t shall be unlawful for any person . . . knowingly to make or cause to be made to the Secretary of State or anyone acting on his or her

behalf any written or oral statement or statements which the person knows to contain any untrue statement of material fact or to omit to state a material fact that is necessary in order to make any statement or statements made, in light of the circumstances under which they were made, not misleading."

- 28. Pursuant to O.C.G.A. § 43-17-12(c)(1), "[i]t shall be unlawful ... to utilize any representation that implies the contribution is for or on behalf of a charitable organization or to utilize any emblem, device, or printed matter belonging to or associated with a charitable organization, without first being authorized in writing to do so by the charitable organization."
- 29. Pursuant to O.C.G.A. § 43-17-12(c)(7), "[i]t shall be unlawful ... to represent that any part of the contributions received will be given or donated to any other charitable organization unless such organization has consented in writing to the use of its name prior to the solicitation."
- 30. Respondents acted as a charitable organization throughout 2022 when they solicited donations or contributions for use in carrying out their purported charitable operations. Respondents are not registered within the State of Georgia to solicit charitable donations or contributions. Respondents made false and misleading statements to the Secretary when they represented to the Division that they no longer operated in Georgia. Despite these representations, Respondents continued to solicit donations in Georgia and operate a website.
- 31. Respondents made false and misleading statements to donors when they told donors they were partnered with specific non-profit organizations within the State of Georgia. Respondents utilized non-profit emblems and logos, as well as verbal representations, to mislead donors into believing Respondents had partnerships and charitable relationships with these non-profit organizations. The non-profits used in Respondents solicitations did not give permission, written or otherwise, to use their name, likeness, or emblems to solicit donations in any way. The

purported partners have no knowledge of who Respondents are or what charitable services they provide.

32. As a result of the facts set forth herein, Farmhouse and Jackson are in violation of O.C.G.A. §§ 43-17-12(b), 43-17-12(c)(1), § 43-17-12(c)(7) and are subject to penalty under O.C.G.A. § 43-17-13(a)(1)(A)(i).

ORDER

WHEREFORE, by the authority vested in me as the Secretary of State for the State of Georgia, IT IS HEREBY ORDERED:

- 1. **Farmhouse Veggies NP, Inc.** shall **CEASE AND DESIST** from all violations of the Georgia Charitable Solicitation Act of 1988, as amended.
- 2. **Robert Jackson** shall **CEASE AND DESIST** from all violations of the Georgia Charitable Solicitations Act of 1988, as amended.

IT IS FURTHER ORDERED that a CIVIL PENALTY in the amount of five-hundred dollars (\$500.00) is hereby imposed against Farmhouse Veggies NP, Inc. and Robert Jackson, jointly and severally. Said Civil Penalty shall be due and payable within sixty (60) days of the issuance of this Order.

The entry of this Order is deemed to be in the public interest and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to Respondents and shall not be deemed to be a waiver or estoppel on the part of the commissioner from proceeding in individual actions against any person who may have violated the Act or any transaction not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

SECRETARY OF STATE BRAD RAFFENSPERGER

By:

Noula Zaharis

Director, Securities and Charities Division

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OFFICE OF THE SECRETARY OF STATE STATE OF GEORGIA

IN THE MATTER OF

FARMHOUSE VEGGIES NP, INC and ROBERT JACKSON

Respondents.

Case Number: ENCH-220443

NOTICE OF OPPORTUNITY FOR HEARING

TO:

Robert Jackson

2190 Highway 64

Eads, TN 38028

Farmhouse Veggies NP, Inc. 1607 Williams Mill Way

Dacula, GA 30019

PLEASE TAKE NOTICE that the Secretary of State of the State of Georgia ("Secretary") intends to issue the Emergency Order ("Order") attached hereto which orders Farmhouse Veggies NP, Inc and Robert Jackson. ("Farmhouse" "Jackson" or "Respondents" collectively) to CEASE AND DESIST any and all violations of the Georgia Charitable Solicitations Act of 1988, O.C.G.A. 43-17-1, et seq. ("Act"). The Order is being proposed based on information known to the Secretary at the time this Notice of Opportunity for Hearing was issued, and may be amended or modified at any time prior to its entry.

Pursuant to O.C.G.A. § 43-17-16, Respondents are hereby notified that within ten (10) days after receipt of a request for a hearing in a record from Respondents, this matter will be scheduled for a hearing unless another date and time is otherwise agreed to by the parties. If Respondents do not request a hearing and none is ordered by the Secretary within ten (10) days after the date of service of this Order, this Order will become final as to Respondents by operation of law. If a

hearing is requested or ordered, the Secretary, after notice of opportunity for hearing to Respondents, may modify or vacate this Order or extend it until final determination.

- 1. GROUNDS. The grounds for the issuance of this Order are that Respondents engaged in conduct in violation of O.C.G.A. § 43-17-7.
- 2. REQUEST FOR HEARING. Pursuant to O.C.G.A. § 43-17-16(b)(3), this Order may be entered by the Secretary unless Respondent requests a hearing within ten (10) days of receipt of this notice. A request for hearing may be delivered to the attention of Noula Zaharis, Director, Office of the Secretary of State, Securities and Charities Division, 2 Martin Luther King Jr. Dr., SE, Suite 317 West Tower, Atlanta, GA 30334 or by electronic mail at nzaharis@sos.ga.gov.
- 3. PROCEDURE FOR REQUESTING A HEARING. If the Respondents request a hearing, the request for hearing must be in writing and contain the following information as required by Rule 590-9-1-.05 of the Rules of Office of Secretary of State (hereinafter, the "Rule" or "Rules"):
 - a title which indicates the nature of the proceedings;
 - the complete name and address of the person or persons on whose behalf the request is filed;
 - the name and address of all other persons known to have a legal interest in the proceedings;
 - if the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
 - a clear and concise statement of the facts upon which the contested case arises;
 - a prayer setting forth the relief sought; and
 - a statement of the grounds upon which the person contends he is entitled to the relief sought.
- 4. SCHEDULING OF HEARING. If requested, a hearing will be scheduled before the Commissioner or Assistant Commissioner of Securities and Charities, the ultimate decision maker in this matter, in no less than thirty (30) days but not earlier than five (5) days after the request is

made, unless otherwise agreed to by the parties.

- **5. ISSUES TO BE ADDRESSED.** If a hearing is requested, the issues to be addressed are set forth in the attached Order that is incorporated herein by reference and made a part of this Notice of Opportunity for Hearing.
- 6. CONTESTED CASES. This is a contested case proceeding and pursuant to the Rules it shall be conducted as expeditiously as possible, with regard to the rights of the parties, and in a manner to enable the parties to obtain relevant information needed for preparation of the case to the extent that such disclosure is authorized or required by law.
- 7. **LEGAL AUTHORITY AND JURISDICTION.** This Notice of Opportunity for Hearing is issued pursuant to O.C.G.A. § 43-17-16, Rule 590-9-1-.05, and O.C.G.A. § 50-13-1 *et seq.* (The Georgia Administrative Procedure Act).
- **8. INFORMAL CONFERENCE.** Respondents may request an informal conference with the Division Director pursuant to Rule 590-9-1-.05. The receipt of a written request for an informal conference will toll, until the date that such conference is scheduled, the running of the time for requesting and setting a hearing. A request for hearing that does not contain the required information as outlined above will be treated as a request for an informal conference. Further information regarding an informal conference may be obtained by contacting Noula Zaharis at (470) 312-2787.
- **9. RIGHTS OF PARTIES.** The parties to this matter shall have all of the rights provided for in the Act, the Rules and the Georgia Administrative Procedure Act, including but not limited to the following:
 - To subpoena witnesses and documentary evidence;

- To secure testimony by deposition or interrogatories if authorized or directed by the Assistant Commissioner of Securities and Charities;
- To be represented by legal counsel; and

• To respond and present evidence on all issues involved.

SO ORDERED this day of

SECRETARY OF STATE

BRAD RAFFENSPERGER

By:

Noula Zaharis

Director, Securities and Charities Division